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C O N F I D E N T I A L SECTION 01 OF 03 BERLIN 000745

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TAGS: PGOV PREL GM

SUBJECT: SCHWAN PRESIDENTIAL CANDIDACY IS SPD'S LATEST HAIL MARY

REF: A. BERLIN 686

1B. FRANKFURT 447

1C. BERLIN 265

1D. FRANKFURT 1752

1E. FRANKFURT 1756

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Classified By: Deputy Chief of Mission John Koenig for reasons 1.4 (b) and (d).

11. (C) Summary: Faced with continued losses in the polls, the Social Democrats (SPD) have been trying on new tactics like various badly fitting dresses for a prom, each one redder than the last. The latest has been the baffling decision to run Professor Gesine Schwan against the popular incumbent Horst Koehler in next May's presidential election. While the presidency is basically a ceremonial position, the SPD's decision is important in several ways. It has further frosted over coalition relations, drastically limiting the coalition's ability to get anything more done for the remaining year of this election term. It runs the risk of encumbering the SPD with a major electoral loss just months before the national parliamentary elections. Even worse, the Schwan decision has again raised the specter of SPD cooperation with the pariah Left Party at the national level, since Schwan would necessarily need support from the Left Party to have any chance of winning. SPD Chairman Beck's speech at his party's May 31 Nuremberg convention, in which he asserted that the SPD and the Left Party are politically incompatible, has not settled fears of some eventual cooperation between the two parties. All this could cost the SPD at the national polls in 2009. End summary.

Go Figure: SPD Runs with Schwan

12. (C) The SPD's latest attempt to pull the party out of the polling doldrums could be a costly gamble. SPD Secretary General Heil acknowledged as much to Poloff May 30 en route to the SPD's May 31 Nuremberg convention when he admitted that he was skeptical at first about the proposal to run Schwan. He also conceded that the decision comes at a risk, since a defeat just months before the parliamentary elections could cost the party. SPD parliamentarian Soeren Bartol confided to Poloff June 5 that while he believes the decision to run Schwan was a good one, despite his hopes for a good campaign, he does not believe Schwan will win. In polls of the general public, Koehler leads Schwan 75 percent to 17; the president is elected by the National Assembly, composed of federal parliament members and appointees of state parliaments. Thus, the actual vote will be much closer.

13. (C) Heil, however, assured Poloff that he is optimistic about Schwan and noted that she has a full year to prepare for elections. Schwan and Koehler ran a close race in 2004.

When asked what she would do differently this election, Schwan told Poloff just after the SPD Nuremberg convention May 31 that in the last election she only had two months to prepare while this time she has a whole year. She stressed that she intended to use her candidacy as an opportunity to promote open public debate on the issues. (Comment: This is a somewhat doubtful strategy, since the president has a role above politics, rather than in the fray. End comment.) The SPD also hopes that it can increase Schwan's chances of success by chipping away at the Christian Social Union's (CSU) absolute majority in Bavaria in the September elections and thereby increase the number of delegates in the National Assembly -- the body that elects the President -- who would vote for Schwan. The SPD used its May 31 Nuremberg convention, in part, as a campaign rally for Bavaria.

¶4. (C) A well-placed staffer at the SPD federal parliamentary caucus explained to Poloff May 29 that Beck was pushed towards supporting Schwan's candidacy by an unusual coalition of pragmatic centrist parliamentarians -- of which Schwan is a member -- as well as of leftists such as party vice chair Andrea Nahles. (Note: Nahles has been playing an increasingly prominent role in SPD politics, causing Chancellor Merkel reportedly to recently quip that she is not sure who is leading the SPD these days, asking whether she should rather phone Nahles than Beck. End note.) This coalition argued that the SPD should not be saddled with the Koehler presidency but should rather offer an SPD alternative to sharpen its own profile before the 2009 parliamentary elections. According to this source, SPD supporters of the Schwan candidacy believe the opportunities outweigh the risks. Specifically, the opportunities include electing the first female president, defining the SPD as more than just a junior Grand Coalition partner, and the hope of a big morale boost from a possible Schwan victory.

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Beck: Read My Lips - Again

¶5. (C) Recent polls showing that the SPD has sunk even further are an indication that its decision on Schwan could be ill-fated. This further loss could be explained by the public perception that running Schwan ties the SPD even closer to the Left Party, since she cannot be elected without the support of The Left. Chancellor Merkel publicly stated that the SPD "is in the hands of the Left Party," making clear a Christian Democratic Union (CDU) line of attack. This association could doom Schwan's prospects, setting the SPD up for a defeat. Former party chairman Franz Muentefering has recently weighed in, arguing that to counter this criticism the SPD should renew its vow not to cooperate with the Left Party in forming a government after the 2009 federal elections. Beck and Nahles subsequently agreed to issue such a declaration at the May 31 SPD convention in Nuremberg. In his speech, however, while Beck highlighted the irreconcilable differences between the SPD and the Left party in foreign policy and characterized the Left Party's domestic policy promises as "fraudulent," he did not go so far as to explicitly rule out cooperation with the Left Party on the national level.

¶6. (C) SPD parliamentarian Johannes Kahrs downplayed fears of the SPD's likely reliance on the Left Party to unseat Koehler, explaining to Poloffs May 29 that the SPD still has one year to promote Schwan's candidacy to the public. Kahrs noted the irony in linking Schwan to the Left party, describing her as virulently anti-communist and someone who can gain support across party lines, noting that she has close friends in the CDU, CSU and Free Democratic Party. (Comment: Be that as it may, Schwan's image is quickly becoming associated with SPD overtures to The Left, rather than her history of anti-communism. End comment.)

SPD's Challenge Deepens Split in the Grand Coalition

¶17. (C) The 2009 rematch of the 2004 elections of Schwan and Koehler will be the first time in German history that an incumbent president will face a challenge for this usually non-partisan position, thereby signaling the deeply partisan division in the Grand Coalition. Historically, coalition partners have typically backed the same candidate. The fact that the SPD is departing from this norm reveals the depth of division in the Grand Coalition. The Chancellor's spokesman, Ulrich Wilhelm, told Embassy Berlin's IO that the SPD's challenge to Koehler is "very damaging" to CDU-SPD relations within the Grand Coalition.

¶18. (C) Most major politicians, including Merkel, however, have publicly said the continued viability of the Grand Coalition is not threatened by this development. SPD parliamentarian Kahrs also downplayed negative repercussions that Schwan's candidacy could have on the functioning of the Grand Coalition or on the chances of the SPD and CDU/CSU forming another Grand Coalition in 2009. A June 4 article in the daily "Der Tagesspiegel," however reported that many parliamentarians in the rival SPD and CDU/CSU parties would like to end the coalition immediately, but understand that this may not be possible given the interests of the parties' leaders. The article noted that in the current climate, compromises between the coalition parties will likely be harder to come by. The article quotes one CDU member of parliament as saying, "We don't know how it should continue, but it will continue."

Comment: The SPD's Credibility Problem Intensifies

¶19. (C) Schwan's candidacy has forced Beck to reiterate denials of possible SPD plans for a governing national coalition with the Left Party and Greens, but these reassurances ring hollow in the aftermath of the Hesse debacle (reflets B and C), in which he supported an attempt to build an SPD-led Hesse state government with the support of the Left Party. A possible second attempt by Hesse SPD chief Ypsilanti to run for minister-president with the support of the Left would further damage the SPD's credibility -- see reftel E. According to the polling service Infratest dimap, 77 percent of Germans do not find the SPD's reassurances credible. The CDU will certainly use Schwan's candidacy -- likely with great success -- to cast the SPD as reliant on the Left Party, a proposition which concerns many (perhaps most) Germans. The CSU may also be able to turn the "red-red" menace to its advantage in

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Bavaria's state parliament elections in September 2008.

¶10. (C) Centrist SPD party leaders, such as Beck, Foreign Minister Steinmeier, SPD caucus leader Struck, and Finance Minister Steinbrueck, surely know that the Schwan candidacy could well be politically costly. This haplessness in the face of the "Schwan for President" crowd reinforces the sense of incoherence in SPD decision-making. In addition to aggravating the party's credibility problem, Schwan's probable defeat will likely negatively influence the SPD's national parliamentary campaign several months later, as centrist voters concerned about the SPD's ever-closer association to the Left Party could rally around the other centrist alternative, the CDU. Even if Schwan can highlight her centrist SPD credentials and political respectability, courting the Left Party to gain office -- something she said she would do -- could offset her personal appeal, and further beleaguer the party as a whole.

TIMKEN JR